

Employment SECURITY

32 SOUTH MAIN STREET
CONCORD, NEW HAMPSHIRE 03301-4857

RICHARD S. BROTHERS, Commissioner
DARRELL L. GATES, Deputy Commissioner

April 23, 2007

Ms. Grace Kilbane, Regional Administrator
USDOL/ETA
Room E-350
JFK Federal Building
Boston MA 02203

Dear Ms. Kilbane:

The Employment Service Bureau of New Hampshire Employment Security (NHES), responsible for labor exchange activities in the thirteen offices located throughout the state, has been actively involved with state established labor exchange performance standards for the offices for several years. This approach has been successful and has provided some guidance and framework for labor exchange activities in the offices. NHES also established a program for claimants without a date to return to work. Within two weeks of filing their initial claim, these claimants attend an hour session on the rules and responsibilities for the UI program. They also attend three one-hour workshops to assist in their reemployment efforts after having filed for 3, 6, and 9 weeks.

In conjunction with these activities and as requested in TEGL No. 19-06, NHES is submitting its Program Years (PY) 2007 and 2008 expected levels of performance for the labor exchange entered employment rate (EER), employment retention rate (ERR), and average six months earnings for your review and approval. It must be noted that projecting future entered employment rates and employment retention rates based on limited historical data is difficult in the best of circumstances. It must also be noted that projecting six months average earnings based on Bureau of Labor Statistics Quarterly Census of Employment and Wages Program data for covered workers may be markedly different from the average earnings of those registered in our system who obtain employment, as over 85% of our participants are unemployed at the time of participation and their re-employment wages are traditionally much lower than the wage data used as reference.

The NH ETA 9002C quarterly reports submitted to date for the EER indicate the following:

- for quarter ending 3/31/07 the EER was 68%,
- for quarter ending 12/31/06 the EER was 70%,
- for quarter ending 9/30/06 the EER was 63%,
- for quarter ending 6/30/06 the EER was 62%,
- for quarter ending 3/31/06 the EER was 62%,
- for quarter ending 12/31/05 the EER was 61%, and
- for quarter ending 9/30/05 the EER was 61% .

NHES is a proud member of America's Workforce Network and NH Works. NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act.

Auxiliary Aids and Services are available on request of individuals with disabilities.

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midway between all the states in Region I during this time. The average earnings for NH during 2002 was \$18,297, calendar year 2003 was \$18,843, calendar year 2004 was \$19,771, and calendar year 2005 was \$20,512.


When the six-month average earnings for PY 2006 standard of \$16,600 was considered last year, there was little, if any, data upon which to base the projection. This standard has proved to be too high for NH residents. At this time, there is three reporting quarters of data, all in the \$12,000 range but decreasing over the quarters. Although the calendar year 2006 annual average unemployment rate was 3.4%, job growth in NH occurs, for the most part, in the lower paid occupations. Many manufacturing, information technology, and high-end business sector employers in NH have experienced downsizing or closures, resulting in the loss of many high paying positions in our state in the past several years. These job losses have not returned and are not expected to be reinstated in NH. This trend will have a definite impact on the average earnings performance standard. Attachment II of TEGGL No. 19-06 indicates the national six-month average earnings goal for PY 2007 is \$10,750 and PY 2008 is \$11,000. Given our current data, customer demographics, and the loss of WRIS data, NHES is proposing a six-month average earnings for PY 2007 of \$13,000 and \$13,500 for PY 2008. These percentages are lower than our current PY 2006 standards and higher than the national goals for PY 2007 and 2008.

Also, the funding cuts experienced by the Wagner-Peyser program over the past several years has resulted in the loss of staff to assist customers with their reemployment efforts. This trend is not expected to change directions, leading to increased staff reductions.

To restate the future Wagner-Peyser performance goals, NHES is proposing an EER of 66% for PY 07 and 68% for PY 08, an ERR of 82% for PY 07 and PY 08, and a six months average earnings \$13,000 for PY 07 and \$13,500 for PY 08.

If you require any further information, please feel free to contact me.

Sincerely,



Richard S. Brothers
Commissioner